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SUBJECT: JERUSALEM MEDIA REACTION (09/10): New settlement units in East Jerusalem widely condemned in Palestinian press

Main Stories:

Al-Ayyam runs front page news on "an unprecedented statement" made by Washington concerning Israeli settlement activity on September 9. The report notes that State Department Spokesman Ian Kelly stressed to the press that the Israeli government has to commit to a complete cessation of settlement activity within the 1967 borders. According to coverage, Kelly is quoted as saying that the US believes settlements are an obstacle to renewed peace talks between the Palestinians and Israelis.

In related news, the dailies front page coverage on the Israeli government issuing tenders on September 9 for the construction of more than 480 housing units in the Pesgat Ze'ev settlement in East Jerusalem. The reports note that by pursuing these activities, the Israeli government is challenging the US, European and international positions that reject continued settlement activity.

All front pages quote Palestinian Authority (PA) Presidency Spokesperson Nabil Abu Rudeina stating that President Mahmoud Abbas received an Egyptian proposal outlining the end to the Palestinian internal division. Abu Rudeina noted that the PA will respond to the proposal within two days. In its reporting, Al-Quds notes that the Executive Committee for the Palestinian Liberation Organization will convene today to discuss the proposal. According to Hamas officials, Hamas has not yet received the proposal.

BLOCK QUOTES:

1) Talal Okal opines in Al-Ayyam independent daily under the title "Would the world give in to Israel?" (09/10): "The Europeans and

Americans are cooperating with Israel's blackmailing policy. They are not willing to exert real pressure on Israel to achieve comprehensive peace on the ground. On the contrary, they are pressuring the Arab states to normalize relations with Israel even if the latter doesn't pledge to halt or freeze all settlement activity."

2) Ibrahim Abu Sha'ban opines in Al-Quds independent daily under the title "Activate the 7th chapter of UN convention" (09/10): "The international climate is conducive for the Arab states to ask the UN Security Council to impose sanctions against Israel due to their continued settlement activity. This action should not be delayed ... as nothing can be more harmful to international peace and security than settlement expansion. "

RUBINSTEIN